

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY in Compliance with Resolution G-3334 For a System of Firm, Tradable Receipt Point Capacity Rights and Related Provisions. (U 904 G)

Application 03-06-040
(Filed June 30, 2003)

ASSIGNED COMMISSIONER'S RULING

Summary

This ruling provides Southern California Gas Company (SoCalGas) an opportunity to submit in this docket for expedited treatment a proposal to modify the Comprehensive Settlement Agreement (CSA) to take into account the Kern River Expansion and also reconsider the application of primary and secondary access rights on the SoCalGas system.

Background

On January 12, 2004, the Proposed Decision (PD) of Administrative Law Judge Joseph DeUlloa was mailed to the parties. The PD adopts tariffs that implement a CSA adopted in Decision (D.) 01-12-018. The PD also denies a petition to vacate D.01-12-018.

SoCalGas supports the petition to vacate D.01-12-018. In addition, SoCalGas has indicated in ex parte communications with various decision makers that it does not support implementing the CSA as adopted in D.01-12-018. Further, SoCalGas has communicated that it intends to file a new application proposing a new regulatory framework to govern the transportation

of natural gas on its system for consideration at the expiration of the CSA or in the event that the proposed decision does not get adopted. The Commission is also planning on initiating a new natural gas rulemaking in the near future to address recent developments such as the need for and importation of liquefied natural gas.

Discussion

Early in this proceeding in the Scoping Memo and consistently throughout this proceeding, I have expressed a concern that D.01-12-018, a decision duly adopted by a majority of this Commission, and one of the more important decisions I have cast a vote in support of, remains unimplemented. Although the Commission bears some responsibility for this delay, some of the signatories and non-signatories to the CSA have exhibited a tendency to frustrate rather than promote implementation of the CSA.

Initially in this application, some parties complained that the Preferred Case in SoCalGas' application made changes to the CSA that were beyond the scope of this proceeding. Consequently, when I limited the scope of this proceeding to the compliance case which contained no changes to the CSA, some of these same parties cried foul because they were precluded from addressing "changed circumstances."

Nonetheless, in the Scoping Memo, I indicated my desire to address parties' concerns about changed circumstances in a new proceeding to evaluate parties' proposals for modification to the CSA in a comprehensive manner that would identify for parties the Commission's policy goals, organize issues, and also consider the experiences gleaned from implementing the CSA. Such a proceeding is forthcoming in a new natural gas rulemaking.

However, after listening to and considering the ex parte comments made by various parties to myself and other Commissioners (as reported in ex parte

notices), I believe there may be some merit to extracting from the forthcoming rulemaking a particular issue for expeditious consideration. In particular, given recent reports about the availability of gas supplies, I am concerned about provisions in the CSA and *current conditions* under which SoCalGas operates its system that limit the importation of gas on the Kern River Expansion into Kramer Junction.

Although, the Commission should be looking at similar and other issues affecting all four natural gas utilities, including SoCalGas, in the forthcoming natural gas rulemaking, I invite SoCalGas to submit in this proceeding for expedited treatment any specific proposals to modify the CSA to take into account the Kern River Expansion and also reconsider the application of primary and secondary access rights on the SoCalGas system. In the interim, SoCalGas should continue to move forward to implement the CSA consistent with any tariffs the Commission adopts in this proceeding.

IT IS RULED that:

1. Southern California Gas Company (SoCalGas) may submit in this docket for expedited treatment a proposal to modify the Comprehensive Settlement Agreement (CSA) to take into account the Kern River Expansion and also reconsider the application of primary and secondary access rights on the SoCalGas system.

2. In the interim, SoCalGas should continue to move forward to implement the CSA consistent with any tariffs the Commission adopts in this proceeding.

Dated January 20, 2004, at San Francisco, California.

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling on all parties of record in this proceeding or their attorneys of record.

Dated January 20, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.